

Introduced by Senator Margett

February 3, 2003

An act to add Chapter 10.7 (commencing with Section 9685) to Division 8.5 of the Welfare and Institutions Code, relating to the elderly and disabled.

LEGISLATIVE COUNSEL'S DIGEST

SB 120, as introduced, Margett. Programs for the elderly and disabled: home improvement loans.

Existing law requires the California Department of Aging, among other things, to administer the Mello-Granlund Older Californians Act, which establishes various programs that serve older individuals, including aging information and education programs. Existing law establishes the Senior Housing Information and Support Center within the department for the purpose of providing information and training relating to specified subjects, including housing options and home modification alternatives designed to support independent living.

This bill would establish within the department the Elderly and Disabled Persons' Revolving Home Improvement Loan Program to provide no-interest home improvement loans to qualified elderly and disabled individuals to assist them with daily activities and prevent injury and to allow them to remain safely in their own homes.

This bill would create the Elderly and Disabled Persons' Revolving Home Improvement Loan Fund in the State Treasury. The bill would provide that the department shall implement this program if, and only to the extent that, funding is provided for this purpose upon an appropriation in the annual Budget Act or other statute.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 10.7 (commencing with Section 9685) is added to Division 8.5 of the Welfare and Institutions Code, to read:

CHAPTER 10.7. ELDERLY AND DISABLED PERSONS' REVOLVING HOME IMPROVEMENT LOAN PROGRAM

9685. (a) There is hereby established within the California Department of Aging, the Elderly and Disabled Persons' Revolving Home Improvement Loan Program.

(b) The department shall implement the program established under this chapter if, and only to the extent that, funding is provided for this purpose by an appropriation in the annual Budget Act or other statute.

9685.1. It is the intent of the Legislature in enacting this chapter to create a no-interest loan program to allow elderly and disabled persons to make home modifications that will allow them to remain safely in their own homes, and that will assist with daily living activities or prevent injuries.

9685.2. The department shall develop and administer a no-interest revolving loan fund program for elderly and disabled persons to make nonmajor home improvements to assist with daily living activities or prevent injury.

9685.3. (a) The maximum loan amount made pursuant to this program shall be five thousand dollars (\$5,000), subject to cost-of-living adjustments, and there shall be no interest charged on the loan.

(b) Pursuant to regulations of the department, the loan shall be subject to a repayment schedule over the term of the loan, not to exceed three years, or, with regard to a borrower who owns his or her home, repayment shall be deferred until the home is sold.

(c) Loan funds shall only be used for financing the improvement of a structure occupied by the borrower. Where the borrower does not own the property, loan funds shall only be available for home improvements that have received the written approval of the owner. Loan funds shall not be used for the acquisition of real property.

1 9685.4. (a) The department shall prepare and promulgate
2 regulations that carry out the purposes of this chapter including,
3 but not limited to, all of the following:

4 (1) Identifying the qualifications of borrowers, including, but
5 not limited to, qualifications related to age, disability, income, and
6 home improvements requested.

7 (2) Implementing the requirements of this chapter.

8 (3) Establishing a repayment process and schedule.

9 (b) In developing the regulations, the department shall consult
10 with appropriate stakeholders.

11 9685.5. (a) The department shall develop an uncomplicated
12 application form for the program.

13 (b) The department shall be responsible for providing
14 assistance to elderly and disabled applicants in filling out
15 applications for home improvement loans under this chapter.

16 (c) The department may not impose a fee for processing the
17 application.

18 9685.6. The department shall review loan applications
19 submitted under this chapter and shall approve or deny loan
20 applications. Approved applications shall be funded until funds
21 are no longer available.

22 9685.7. (a) The department shall finance the total amount of
23 each loan granted under this chapter.

24 (b) The department shall not assess a loan fee.

25 9685.8. (a) In order to carry out this chapter, there is hereby
26 created in the State Treasury the Elderly and Disabled Persons'
27 Revolving Home Improvement Loan Fund.

28 (b) The fund shall consist of funds appropriated to it by the
29 Legislature and moneys received in repayment of loans.

30 (c) The department, upon appropriation by the Legislature,
31 shall use moneys in the fund to implement this chapter, and may
32 use moneys in the fund for the administration of the program
33 established by this chapter. The annual administrative costs shall
34 not exceed 5 percent of the amount in the fund appropriated
35 annually by the Legislature.

36 9685.9. The department shall issue an annual report,
37 commencing in the 2005–06 fiscal year, that includes a description
38 of the characteristics of the borrowers participating in the
39 program, including, but not limited to, all of the following:

40 (a) County of residence.

- 1 (b) Types of modifications completed.
- 2 (c) Loan amounts.
- 3 (d) Repayment progress.

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